

MINUTES
Troutdale City Council – Regular Meeting
Troutdale City Hall – Council Chambers
104 SE Kibling Avenue
Troutdale, OR 97060-2099

Tuesday, June 14, 2005

1. PLEDGE OF ALLEGIANCE, ROLL CALL, AGENDA UPDATE.

Mayor Thalhofer called the meeting to order at 7:00pm.

PRESENT: Mayor Thalhofer, Councilor Thomas, Councilor Canfield, Councilor Kyle, Councilor Daoust, and Councilor Ripma (7:39pm).

ABSENT: Councilor Gorsek (excused).

STAFF: John Anderson, City Administrator; Rich Faith, Community Development Director; Marnie Allen, City Attorney; Kathy Leader, Finance Director; Marc Shrake, Police Sergeant; and Sarah Greif, Office Support Specialist.

GUESTS: See Attached List.

Mayor Thalhofer stated with the consent of the Council, I'd like to move Agenda Item 11 to follow Agenda Item 6, a report for the West Columbia Gorge Chamber of Commerce.

The Council had no objections.

2. CONSENT AGENDA:

2.1 RESOLUTION: A Resolution authorizing acceptance of Comcast Corporation as a substitute guarantor of cable franchise performance.

MOTION: Councilor Thomas moved to adopt the consent agenda. Seconded by Councilor Daoust. The motion passed unanimously.

3. PUBLIC COMMENT: Please restrict comments to non-agenda items at this time.

None.

4. PRESENTATION: Springdale Job Corp Awareness.

Devin Manuel, Student Government Association President, gave the Council an overview of the Springdale Job Corp and invited everyone to their Health Fair on June 24th and the Job Corp 40th Anniversary on September 2nd.

Councilor Daoust asked is the 40th Anniversary for Springdale or Job Corp as a whole?

Manuel replied for all the Job Corps.

Caryln Mitas, Business Community Liaison, stated it's the 35th Anniversary of Springdale.

Councilor Thomas asked do you work with the Estacada Job Corp?

Mitas replied we do have conferences together but we're managed by a different company, Management Training Corporation. They're managed by the Forest Service.

Mayor Thalhoffer stated thank you for coming here tonight. We'd like to have you come back again sometime and give us another report.

5. MOTION: A Motion to approve Mt. Hood Cable Regulatory Commission's 2005-06 Budget.

Councilor Thomas stated the Mt. Hood Cable Regulatory Commission (MHCRC) is a joint committee created by an intergovernmental agreement with the Cities of Fairview, Gresham, Portland, Troutdale, Wood Village and Multnomah County. We have the oversight and development responsibilities for cable services, franchised with Comcast, for the use of the public right-of-way. We also contract with the City of Portland for staffing services. The Commission funds a total 3.25 full time employees. Something that we've accomplished over the last year is we pursued changes to the Comcast privacy policy that we believed to be a little too open in what they could release as far as general information goes. In 2004 we assisted in the resolution of 167 complaints. We're still working on the Institutional Network which connects all of the government facilities using fiber optics. We funded projects to advance education and community based development. The access grant had its fifth successful year with the MHCRC overseeing 20 currently funded projects and granting nearly \$550,000 for new projects. We also partner with Comcast, Portland Community Media, and MCTV to digitize live video origination capability. There were joint efforts to protect local interest in the FCC and legislative actions. We filed comments in response to the FCC's Notice of Preliminary Rule Making on IP-Enabled services, the FCC's 4th Inquiry Concerning the Deployment of Advanced Telecommunication Capabilities, and the FCC's inquiry into A la Carte services. We've joined with other governments initially opposing Senate Bill 150, the Internet Tax Non-Discrimination Act, that resulted in language which protects the local government's ability to impose local telecommunications or utility taxes to the provision of telecommunications services including some emerging technologies. The Cable Commission is responsible for developing an annual budget and then making a proposal to each of the area jurisdictions. Then each jurisdiction needs to approve that so that we have an operating budget. The proposed Commission operating budget is up 4% from the current fiscal year mostly due to annual cost of living adjustments. Portions of the operating budget are funded by the City of Troutdale appropriated from the cable franchise fees. The cable franchise fee revenues projected are slightly below

current year forecasts due to a sluggish growth and are reflected during the current year. The cable subscribership rate is not going as well as we anticipated. However a 3% increase from the current fiscal year is likely unless we experience further decline in franchise fee revenue. The estimated cable franchise fee balance to Troutdale would be \$29,154. The contribution from Troutdale is \$13,743.

Sebastian Rodrigues, Financial Analyst, stated our budget is up 4% from last year. Most of the cost is for the cost of living increase and benefits for personnel services. Most of the increase remains in contingency. The true amount hasn't gone up, it's pretty much the same as last year.

Councilor Daoust asked on your budget, what's the difference between Multnomah County East and Multnomah County West?

Councilor Thomas replied there are actually two different franchises. Multnomah County West is the original TCI franchise which was handled as a separate franchise versus Multnomah County East which was the old Paragon system which is all Comcast. We're trying to combine those together so they're one franchise.

Mayor Thalhofer asked could you explain the A la Carte? So does this mean if I want Westerns, I don't have to get a package?

Councilor Thomas replied that's what it's intended to do. The cable company believes it's cheaper for them to package deals. A lot of the cable channel operators believe that A la Carte is detrimental to them because their product won't get out to as many people. The challenge is whether the FCC agrees. Most of the people that I talk to would prefer the A la Carte because they don't want all of those channels.

Mayor Thalhofer stated the number of cable subscribers isn't as large as you anticipated.

Councilor Thomas replied it's not increasing as much as we thought it would.

Mayor Thalhofer asked do you have control over the rates?

Councilor Thomas replied we do over the basic rate which gets you standard local channels plus the access channels but we have no control over the rest.

Mayor Thalhofer stated we had a discussion with the City of Portland earlier this year. Could you briefly explain that meeting along with the resolution?

Councilor Thomas replied the proposal was to take the existing MHCRC staff and roll them into a larger organization. With Comcast your dealing with the largest cable provider in the world. When you deal with them as the third person down on the totem pole versus the director of an office, it makes a big difference on how people approach you and look at what you could do. I report directly to the City Council if anything happens. The way the City of Portland would work is they'd be reporting to 3 levels below the Mayor which wouldn't give them the same status that you'd have if you could go straight to the Mayor to deal with issues directly. They also were looking at what they thought would be some reductions in their costs but it didn't really pan out.

Rob Brady, C.E.O. of Multnomah Community Television, stated things are going very well. I think last year I was talking about our new building. If I would have realized that the construction was going to be the easy part of the process, I'm not sure we would have ever begun. But we have actually started construction of the new facility on 8th Street in Gresham. If you're interested in seeing it as it progresses, check out our website at www.mctv.org.

MOTION: Councilor Daoust moved to approve the Mt. Hood Cable Regulatory Commission's 2005-06 Budget. Seconded by Councilor Canfield.

VOTE: Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Thomas – Yes; Mayor Thalsofer – Yes; and Councilor Canfield – Yes.

Motion passed 5-0.

6. REPORT: A report from West Columbia Gorge Chamber of Commerce.

Diane McKeel, Executive Director for the West Columbia Gorge Chamber of Commerce, stated I'm here tonight with Robert Hauser, President of the Chamber Board; and Phyllis Thiemann, Vice President of the Economic Development Council. You have been given a packet that we put together including some highlights of some of the things the Chamber has been doing, a copy of our mission statement, our organization chart, a copy of last years financials, an event that will be taking place on June 22nd, and some pieces of information on some of the things that the chamber has attended and participated in since my last presentation at the Budget Committee meeting.

McKeel went over her handout which can be found in the Council packet.

Councilor Ripma arrived at 7:39pm.

McKeel stated for our tourism partnerships we have the Columbia River Gorge Visitors Association (CRGVA) which is an all volunteer group that promotes the Gorge. Phyllis Thiemann is the President of that organization and I sit on their board representing Multnomah County. It represents both Oregon and Washington, and 6 Counties. The Gorge Guide is the official publication of the CRGVA. Our businesses feel that the Gorge Guide is an important publication for them. We partner with them on an ad in the Gorge Guide. Oregon Tourism is certainly an important partner to us. Right now part of the 1% that was passed by the Legislature to go to Oregon Tourism to market the State will go back to the regions to market their region. We are the Mt. Hood Columbia Gorge region so there is a group of people in our region that came together and looked at the amount of money that we should receive back and what we could do most effectively. We've decided to focus on a printed piece called the Infinity Loop Tour. We also chose to do a website and on it will be what there is to do in the area, where you can stay in the area, much more detailed information than will be in the printed piece. The Infinity Loop Tour is focused on getting people to spend the night. Most people look at the Columbia River Gorge/Mt. Hood Loop as a drive they can do in one day. We want them to understand that they can come and stay and there're all kinds of wonderful things to do in each area. They've identified three lodging hubs within the Infinity Loop. One will be in Troutdale,

one will be in Hood River, and one will be in the villages or Mt. Hood. The Oregon Association of Convention and Visitor Bureau (OACVB) is a statewide network for visitor bureaus. The Portland Oregon Visitors Association (POVA) is certainly a partner of ours. Probably the most important relationship we have with POVA is our East County Tourism Task Force. The task force is made up of visitor organizations and a lot of the lodging properties. We just accessed a grant from them for marketing for the Troutdale wine and art festival, Paint the Gorge, that's coming up in July. We also were able to access some marketing dollars for the Lewis and Clark event that will be at Blue Lake Park on August 6th. The brochure produced for that will also highlight other Lewis and Clark events and activities going on in the area including the Troutdale Historical Society Exhibit. Oregon Film and Video is an important partner, we receive leads from them about companies interested in filming in this area. We feel aviation tourism is an opportunity. This is a program that's been started by the State Department of Aviation and they market to owners and operators of general aviation airplanes, which is the Troutdale Airport. It's a new program and we're working on putting our partners together for that. Cultural tourism is another important tourism opportunity for us and the Paint the Gorge event is very huge in the cultural tourism area. Also the Lewis and Clark Rivers Confluence Project which you've had a presentation from Jane Jacobsen about the Maya Linn piece that's going to go out on the 1,000 Acres property owned by the Forest Service. That will be quite an opportunity for this area. For our economic development partners we have the East Metro Economic Alliance (EMEA), the City, and the County to put on our first business, industry, and tourism showcase in May at the Troutdale Airport. The focus of the showcase was economic development. One of the objectives was to attract industrial and business clients, developers, and investors. Another objective was to show the benefits of linking tourism with economic development and why we're a prime location for that. Another was to show how the public and private sectors are collaborating to enhance the economic viability of the region. We considered it to be a success and we're looking forward to doing it again next year. On June 22nd we're partnering with the EMEA and the Gresham Area Chamber of Commerce for breakfast to bring together East County businesses to help create a strategic regional business plan. This will be held at the Fairview City Hall from 7:30am to 9:30am and there will be no charge. Multnomah County is certainly a partner with us. Our Government Affairs and Economic Development Committees recently met with the Economic Development liaison from Multnomah County and representatives from Commissioner Roberts office so that we can coordinate or efforts in the area of economic development. Certainly the Chamber or Commerce has their own Economic Development Council and there are many subcommittees working on the showcase, working on the website, and grant writing. Our governmental affairs partnerships include our State Legislators. Four of our chamber members attended Chamber Day at the Capital in April. We also receive weekly legislative updates by e-mail from the lobbyist that works for the Oregon Chamber Executives. We're regularly in contact with all of our legislators. Other important governmental affairs are Metro, Multnomah County, and the City of Troutdale. We have important education and workforce development partnerships. Mt. Hood Community College has a small business center that is an excellent free resource for beginning and existing businesses. I sit on their advisory board. We also attend a number of business seminars that are held at Mt. Hood Community College. The Reynolds School District certainly is an important partner for us. We have a staff member from Reynolds School District that sits on our Chamber Board and we have a great partnership with them. You've just heard from another of our good partners, the Springdale Job Corp. We've had 3 interns work in our Chamber office, they've all been excellent. The Chamber is also a member of their Community Council. They've helped us

in many ways. Their culinary program prepared the food at the showcase. They also helped us when we hosted the State Chamber Ambassador's Convention last fall. We attended the U.S. Bank travel show in downtown Portland, the Portland Oregon Visitors Association Showcase held at the Convention Center, and we'll be attending the Bravo show which is a trade show for meeting planners. We just received a new designation for the Mt. Hood Scenic Byway. We are lucky to have two in our area because the Historic Columbia River Highway is a scenic byway as well as an All American Road. The Mt. Hood Scenic Byway has received the State designation, they've now put in to receive a federal designation, and to be an All American Road. This road begins at the east end of the Troutdale bridge, up through downtown, out Halsey to 238th, then turns south to Burnside, then off on Orient Drive through the country in the Sandy area, around Mt. Hood, and ends in Hood River. We now have a Scenic Byway Corridor management team and they have four committees. Transportation is another opportunity for us. We have a Transportation Management Association grant through Tri-Met and Metro to study alternate modes of transportation in the Troutdale area. Another group working on the transportation issues is the Columbia Cascade River District Vision which is a committee of the EMEA. That group is working on looking at the transportation issues surrounding Exit 17 and the Alcoa property. Other opportunities coming our way are Cycle Oregon, First Friday Art Walk, Troutdale Farmers Market, and the Lewis and Clark Rivers Confluence Project. In conclusion I will say that our Visitors' Center located in the downtown core area receives over 15,000 visitors a year and is very active. Today alone we had 75 visitors. To give you an idea of international visitors, in June we had 16 visitors from Germany, 10 from Japan, 11 from Canada, 2 to 3 from China, Scotland, Korea, England, Costa Rica, and certainly from all over our country. The other day someone came in and asked us for pieces of information for 400 people coming here for a convention. We're asked for that a lot.

Robert Hauser, President of the Chamber Board, stated as a Chamber we're very fortunate to have an individual such as Diane. We all know it's a volunteer organization and it's not as easy as it looks sometimes to become involved in the organization. Our growth looks great, our representation of the community looks great which I feel we have to solidify to gain power and the recognition that we need in East County. We look forward to a very good year and thank the participation of the Mayor and we look forward to any of you that would like anymore information.

Phyllis Thiemann, Vice President of the Economic Development Council, stated we have a very strong group of people that we're working with. We have a group that is very anxious to get some projects so they can get some grants written and get some things rolling as far as some more positive growth going in economic development. We're also putting together a one stop shopping kind of pamphlet so that we'll have all of our Cities put together in case someone wants to relocate here or move their business here, we'll have a brochure with the names, addresses, and phone numbers of whoever they need to contact. We've got a very good working relationship with our governmental affairs group also.

Councilor Kyle asked I've been sitting in on a Thursday morning marketing meeting downtown and I know we're spending money, is the Chamber responsible for the money that we're setting aside to spend?

McKeel replied yes.

Councilor Kyle asked how much did you give us to spend?

McKeel replied I'll have to look that up.

Councilor Kyle asked what was the attendance at the showcase, excluding vendors and officials?

McKeel replied I'd say we probably had about 100.

Councilor Daoust asked are the statistics that you mentioned regarding travel spending statewide?

McKeel replied yes.

Councilor Daoust asked when we talk about motel/hotel occupancy in the Troutdale area being above 50%, is that good?

McKeel replied I'd rate that as good for the area because generally it's lower.

Councilor Daoust asked even in Portland?

McKeel replied yes.

Councilor Daoust asked what's our flagship hotel out here that has the highest occupancy?

McKeel replied I think it's across the board.

Councilor Daoust asked when is Paint the Gorge?

McKeel replied July 25th through August 14th.

Councilor Daoust asked can you explain what that's going to be?

McKeel replied Caswell Gallery has had Paint the Gorge at their art event for several years. It is an expansion of that event to take on more of a wine and art festival, to build on that event, and have it become a signature event in this area.

Councilor Daoust asked does Cycle Oregon go through this area?

McKeel replied the event itself doesn't go through. They go to Rooster Rock but the downtown Troutdale area is planning an event for them the night that they come into Rooster Rock. They're planning events here, downtown, to bring them in.

Councilor Ripma asked how are we doing on getting some of the other cities and jurisdictions to contribute?

McKeel replied I'm happy to report that Cascade Locks money comes through a tourism grant and they significantly increased what they're giving to the Chamber this year.

Councilor Ripma asked no other hotel/motel tax?

McKeel replied not yet but we still continue to work on that.

Councilor Thomas asked is there going to be follow up from the business showcase?

McKeel replied there are people following up on it.

Councilor Thomas asked what is the Chamber doing to try to reduce the low occupancy rate?

McKeel replied we want the downtown to be viable as well as all areas of Troutdale. In the area of economic development we continue to meet and form partnerships. We encourage people that want to locate in the downtown.

Councilor Thomas stated you seem to focus primarily on downtown, what about the other areas? For example the Thriftway Center, Albertson's, and Safeway?

McKeel replied we focus on all of the areas. Some areas have property management that looks at filling their empty spaces but we have met with the property management and with the businesses. At times the property management companies have been Chamber members.

Hauser stated we encourage all businesses to become involved in the Chamber. It's as much their responsibility to come forward and belong to the committees of concern that we're working on. If a business is concerned and interested about marketing what they have to offer, we welcome them to become involved and express their opinions. We are now working on a Noon Forum which will take place by the end of July or beginning of August which will meet once a month to start off with which will be a good communication effort for all of the Cities to become involved and we hope to see you at these events.

McKeel stated we also encourage businesses in outlying areas that are Chamber members to be our liaison to help where they can.

Mayor Thalhoffer stated I think the Chamber has done an excellent job. I've been active in the Chamber since it started. I was privileged to be the first President of the Troutdale Area Chamber of Commerce. I know we have some vacancy problems but that's not always due to anything that the Chamber has done or not done. Sometimes it's due to personal situations and perhaps the business plan is not adequate. I think the visitor statistics are outstanding.

Councilor Canfield stated you mentioned that it's common practice for cities to dedicate a portion of their transient tax to the Chamber. None of the other Cities that you cover provide this tax, is that true?

McKeel replied at this time that's right.

Councilor Canfield stated I'm wondering why it's not common in this area.

McKeel replied it can be done in different ways. It's not always done by the lodging properties raising their transient room tax and dedicating a portion to the Chamber. That's just the way it happened to be in this Chamber which worked out very well for us. Sometimes the chambers and convention and visitor bureaus go to their cities or counties and a portion comes out of the existing tourism dollars that come into them. It's part of a budget item that the county or city dedicates to the tourism entity in their area.

Councilor Canfield asked how much does the City of Fairview provide to the Chamber?

McKeel replied at this time they don't. That's an ongoing discussion. They've read the ordinance once and they need to have another reading.

Councilor Canfield asked does Wood Village provide any?

McKeel replied not at this time. We've talked about raising it like we did here in Troutdale because Troutdale wanted the lodging properties to be on board and supportive of this. That's what the other cities are looking towards.

Councilor Canfield asked what about Corbett, Springdale, or Cascade Locks?

McKeel replied Corbett and Springdale are not incorporated cities. We are in talks with Cascade Locks lodging properties but at this time they provide a grant to us through their existing tourism dollars.

Councilor Canfield asked how many hotels, motels, and other lodging facilities are paying in Troutdale now?

McKeel replied there are about 6.

Councilor Canfield asked if we were to ask them if they were aware that they were subsidizing the promotion of lodging in these other cities, would they be aware of that?

McKeel replied yes they know about the change in the Chamber. The lodging properties see value in marketing their region. They of course want the Gorge to be marketed because that brings people to them.

Councilor Canfield asked do you recall receiving e-mails from me asking you for an operating budget?

McKeel replied yes.

Councilor Canfield asked is the information that you gave us tonight the same information that you gave out to the budget committee?

McKeel replied yes.

Councilor Canfield stated I looked at this at the budget committee meeting and I'm looking at it now, it shows a net surplus of \$10,400. I got the impression that the Chamber was running at a deficit. Is this accurate?

McKeel replied that's accurate for last year.

Councilor Daoust stated that is a deficit.

Councilor Canfield asked do you give monthly financial updates to Chamber members?

McKeel replied yes.

Councilor Canfield asked is the City a member of the Chamber?

McKeel replied yes they are.

Councilor Canfield stated I checked with John Anderson and he said that we've not recently received a monthly budget update. Would you care to comment on that?

McKeel replied we provide our monthly update to our Chamber Board. We certainly could provide that if that's information you'd like.

Councilor Canfield stated I asked for the information March 28th, April 4th and at the Budget Committee. Do you care to comment why you haven't provided it?

McKeel replied what I gave you is what we give out at our annual membership meeting. I apologize if I didn't understand exactly what it was that you wanted.

Councilor Canfield stated an operating budget. Tonight for example the Mt. Hood Cable Regulatory Commission (MHCRC) came to us and gave us a fairly complete operating budget and the City only provides \$13,000 and yet we're going to be giving you \$45,000 this fiscal year if the budget is approved. Would you care to comment on why the Chamber should be less than forthcoming for 3 times the amount of money than the MHCRC?

McKeel replied we will be happy to do that.

Councilor Canfield asked who is Lee Merrick?

McKeel replied he's our accountant.

Councilor Canfield stated I received an anonymous letter dated March 7, 2005 with the subject February Financial Activity for the Chamber. In that letter Mr. Merrick indicated that the Chamber had \$52,000 in reserves for the current fiscal year and that it remained untouched during the fiscal year. He projects that the Chamber will have a net income of approximately \$42,000 with cash assets in excess of \$80,000. Based on the skeletal information that you gave to the budget committee and to the Council tonight, would you care to comment on what

appears to be providing the City with misleading information on the status of the Chambers financial health?

Mayor Thalhofer stated I'm putting a stop to this because you're alleging that they're giving you misleading information. Unless you can prove that, I think that's beyond the scope of this presentation.

Councilor Canfield stated the information you were given shows a deficit of \$10,400 and that's the impression that the Chamber wants to give when we actually find out that there is a tremendous amount of reserves. This is the information that should've been given to the budget committee and should've been given to the City Council tonight, not information that's almost a year old.

McKeel replied the transportation grant that we received is an entirely separate budget line item. We do not put that in the Chamber budget. So the figures you see are actually the Chamber dollars that are budgeted. We don't put the transportation dollars in because that is a grant that is earmarked for transportation. It is a decreasing sum of money. The point of a grant is that you match up to whatever it is that you've received from the grant. The grant allotment is pretty large in the first two years so that you have the opportunity to build the Transportation Management Association.

Councilor Canfield stated you didn't answer the question. Can you comment on why there's a discrepancy in information that was received not only by the budget committee but tonight.

McKeel replied yes because the transportation dollars are not in that. They are a separate item. The transportation dollars are in the information that you have from our accountant. The Chamber does not put them in our budget because we want to budget so that we know exactly where we're at without the grant because it decreases each year and will eventually go away.

Councilor Canfield asked isn't it true that the Chamber is sitting on a significant amount of cash reserves right now?

McKeel replied yes we do have money in our savings account.

Councilor Canfield asked why didn't you present that to the budget committee and to us tonight?

McKeel replied because it's not in our operating budget. It's a grant that goes toward transportation.

Councilor Canfield stated what I received was the monthly financial activity for February for the Chamber. Regarding this other information that you've given us, I'm wondering if the Chamber has been less than forthcoming regarding finances. What confidence can we really have with the information provided?

Mayor Thalhofer stated I think this is going far beyond the report.

Councilor Daoust stated I agree. I think my fellow Councilor is totally out of line. If there's questions you have that you want answered as an individual Councilor, just work one on one with them to get the answers that you need.

Mayor Thalhofer stated I appeared with Diane McKeel to obtain that transportation grant. There were several meetings that we had to attend to get that and almost didn't get it. It's for a specific purpose and can only be spent on transportation. It cannot be spent for any other purpose. It shouldn't be in the Chambers operating budget.

Councilor Thomas asked you're saying that's a designated fund, correct?

Hauser replied yes.

Councilor Thomas stated on most balance sheets they at least show up as designated funds and that would be nice to see. I think if that had been there we would have avoided some of these questions.

Councilor Ripma stated I think that the explanation given by the Chamber answers the questions that I'm hearing. I concur with Councilor Daoust's suggestion.

Councilor Canfield replied I've done that in an e-mail and at the budget committee. All I need is that information that I've asked for, this is now the fourth time.

Councilor Daoust stated you're representing yourself and not the entire Council.

Councilor Canfield stated the taxpayers are paying this money and regardless of whether my fellow Councilors agree with me or not, this is taxpayer's money that we're dealing with and we're held accountable for making sure this money is spent correctly.

Mayor Thalhofer replied this is not taxpayer's money that's going to the Chamber. This is hotel/motel tax that is paid for by the customers of the motel. Thank you very much for your report. We appreciate it and the majority of us feel like you're going a great job and we hope that you continue on with the good work that you're doing.

11. PROPOSAL: A proposal for City of Troutdale entrance monuments along S. Frontage Road and into downtown Troutdale.

Rip Caswell, Owner of Caswell Gallery, stated I want to introduce Kernin Steinhauer, from the Steinhauer Management Group. He's volunteered to put together a PowerPoint presentation on the signage monument. The different businesses in town have come together and we're concerned that Troutdale really isn't getting noticed. There's nothing that really signifies us. If anybody would like to know more about the upcoming show or any of the things that are going on in Troutdale you can visit www.historictroutdale.com.

Kernin Steinhauer, Steinhauer Management Group, presented the Council with a PowerPoint presentation. A copy of the presentation can be found in the Council packet.

Steinhauer stated in Troutdale you have recreation, scenic beauty, historic significance, and it will benefit greatly from an improved artistic identity. If you think about the Caswell Gallery, you have to realize what you have here is a world class gallery. It's not just a gallery like you see in downtown Portland. When you have a world class gallery and a world class artist in you midst, what happens is you have an opportunity to have an anchor and an attractor for a cluster of other artists. Besides that, Rip himself is willing to help the City of Troutdale by offering his guidance, direction, insight, and vision for what can be done here to create this artistic identity. Think about short term and long term. Creating City art will be immediate publicity. We were sitting at the Showcase and I was showing some people some early examples of this slideshow and pretty soon we had a crowd behind us. After the crowd cleared away, the reporter from the Oregonian said this would make a great story. You get immediate attention when you do something of this significance. The festival that Rip is known for putting on is growing and growing and can become a reason to be here and a reason for artists to come, relocate, and practice here as well as tourism resulting from them being here as a destination attraction.

Caswell stated the idea is as people get off of the exits and fish would swim and guide them right into our town. We went on the internet and I did some research on the economic impact to cities when they put artwork in. It was really interesting and I'm not very good with numbers but it was obvious through all the studies that there was an impact that the artwork made in the cities. The art festivals and events are one of the number one attractions to a city. We have a big show in Jackson Hole that's called the Fall Arts Festival every year in September. September was the shoulder season and tourism was down and the hotels were really low with occupancy. So they got together and put on this art show. Now September and October have become the largest occupancy in the whole season. The occupancy is completely filled up, money is being spent, and flowing through the town. We do 80% of our business in September during that festival. It's a tremendous draw of people coming in from all over. The Paint the Gorge, I believe, can be that kind of an event for us. We have a beautiful scenic area, we can attract tourism to see our beautiful Gorge. I think if we create this momentum of large major art events and we create an image that when people come off the freeway they'll think wow, this is a neat place, what's going on here. Their curiosity draws them into town because of the artwork. I think it's something that the City should really consider investing in. The businesses in town are supporting this, the community, and the school, are willing to donate time cutting out a lot of these fish. We've had steel donated. We've got different businesses wanting to step up to financially help and I would like to encourage the City to support this. We want you're blessing first of all and also your consideration in helping us get the required permits, helping us with the codes, the bidding, the engineering and maybe get creative in your budgeting and see if there's some way to help offset some of the costs that we can't get donated for this archway.

Councilor Thomas stated I've had a chance to talk with Rip and some of the other people in the community that are willing to help with the design and construction costs to build some of these monuments. When I talked to the County, they were surprised that we're like the only city in East County that didn't have some sort of entry monument and they were rather excited about it. They weren't willing to spend any money but they were excited that we would like to do that. What we'd really like to have tonight is the blessing from the City Council to say we want to do this so we can move forward and get some staff resources. The City needs to be involved not only for the permit purposes but also because we are working in some of the County right-of-ways and state right-of-ways that require the City government to be involved.

Mayor Thalhoffer stated I think we need to put this on a future agenda to vote on the issue to commit City resources.

Councilor Thomas stated maybe for the City funds but we were hoping we could at least get approval to proceed with the project.

Steinhauer stated if you could indicate an interest that you think this is the right kind of thing for the City, Rip can start pulling resources together.

Councilor Ripma asked are we talking about the fish leading in and the archway?

Mayor Thalhoffer replied yes.

MOTION: Councilor Ripma moved to support the concept. Seconded by Councilor Kyle.

Councilor Ripma stated this is a wonderful idea. Rip Caswell has been a benefactor of the City for many years and done so much. His design has become the symbol of the City. He has been talking about this for years and I'm delighted to see some more action.

Councilor Kyle stated I was present the evening that Rip presented this concept at the Paint the Gorge meeting and I was really excited by it. I'm certainly willing to support it and hope that the Council will support the expedition of any process that we need to do.

Councilor Daoust stated I've been to Scottsdale and Jackson Hole and seen what a difference art makes to those Cities. It really does make a difference. We had an art committee a few years ago and it kind of went on the back burner. I'm glad to see it's back but I'm a little unsure of the City's role in giving our blessing but I'm more than happy to do that.

Mayor Thalhoffer stated if the committee needs some specific action by the City they can bring it forward.

VOTE: Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Ripma – Yes; Councilor Thomas – Yes; Mayor Thalhoffer – Yes; and Councilor Canfield – Yes.

Motion passed 6-0.

Mayor Thalhoffer recessed the meeting at 8:55pm for a 10 minute break and reconvened the meeting at 9:06pm.

- 7. PUBLIC HEARING/RESOLUTIONS:** A public hearing on the following Resolutions:
- 7.1** A Resolution certifying the City of Troutdale's eligibility to receive State Shared Revenues.
 - 7.2** A Resolution declaring the City of Troutdale's election to receive State Shared Revenues for FY 2005-06.

- 7.3** A Resolution adopting the City of Troutdale's Fiscal Year 2005-06 Annual Budget and making appropriations.
- 7.4** A Resolution imposing and categorizing Ad Valorem Taxes for Fiscal Year 2005-06.

Mayor Thalhoffer opened the public hearing at 9:06pm and read the resolution titles.

Kathy Leader, Finance Director, stated you have 4 resolutions before you for fiscal year 2005 – 06. The first two resolutions relate to State Shared revenues. The City has historically elected to receive those State Revenues including the cigarette tax, liquor tax, 911 emergency services tax, and the gas tax. The State requires each municipality that elects to receive these funds to hold two public hearings related to the uses of those funds. We held the first public hearing during the Troutdale Budget Committee meeting on April 4, 2005 and this is the second hearing. You need to adopt two separate resolutions related to State Shared Revenues. The first resolution certifies Troutdale's eligibility to receive these revenues. The second resolution will declare Troutdale's election to receive these revenues in the fiscal year 2005-06. I've included as Exhibit A to the packet a summary of those estimates for this next fiscal year. We receive these funds based on a per capita rate and we receive those estimates from the League of Oregon Cities each year. We're estimating that for fiscal year 2005-06 we'll receive about \$313,450 in general fund related revenue from State Shared revenues. We're estimating the gas tax at about \$670,700. The total is a significant amount of our budget at about \$985,000. The State has restrictions on how some of those revenues can be used. The 911 emergency tax needs to be used for emergency communication and we do have a contract with BOEC each year that is usually significantly more than the revenues that we receive from the State. The gas tax is required to be used on street repair and maintenance, 99% of it goes to the General Fund and 1% is attached to bike paths and trails. The third resolution that you're looking at tonight relates to the budget. I've included as Exhibit B to the packet a summary of the proposed budget, the approved budget, and then some changes recommended for the adoption of the final 2005-06 budget. The budget was approved by the Troutdale Budget Committee at the April 5th meeting. The Tax Supervisory Conservation Commission (TSCC) has completed their review and certified and approved the budget with no objections or recommendations. On Exhibit B you can see on page 3 the summary of the appropriations for the approved budget. The initial approved budget had total appropriations of \$19,970,197 and unappropriated funds of \$6,116,505 for a total requirement in the next year of \$26,086,702. We are requesting a couple of changes to the approved budget based on new information since the budget meeting was held. On page 1 of Exhibit B, those adjustments all relate to the general fund. We've come to the point where we think we have a final number on fire service for the next year based on negotiations with the City of Gresham by our Ad Hoc Fire Advisory Group. We believe that contract amount is going to be about \$40,000 more than what we originally budgeted. We're asking for the appropriations to increase from \$1,070,000 to \$1,110,000 for the next fiscal year. Based on a Memorandum of Understanding that was signed with the City of Fairview for inspection services, our estimates are that we will be paying an additional \$25,000 back to them for our inspection services that we provided in fiscal year 2003-04. Looking at the financials through May 31st, it appears that we're probably going to have more in reserves in the General Fund for the beginning fund balance than was originally anticipated at \$1,700,000. I've increased the beginning fund balance in the General Fund by \$65,000 to \$1,765,000 to cover those additional expenditures. On the 5th page of the resolution for item 7.3, it showed that the total appropriations for 2005-06 would be \$20,035,197 and the unfunded balance would stay at

\$6,116,505 with a total requirement of \$26,151,702. There was one additional change that I'm recommending and I apologize that it wasn't in this packet but I'm going to hand out a revised resolution with the change highlighted.

Leader passed out a revised resolution for agenda item 7.3. A copy can be found in the Council packet.

Leader stated it doesn't change the appropriation amount, it's more of an accounting issue. The change is in the Utilities Undergrounding Fund and how an item is identified and appropriated. The City is in the process of doing an undergrounding project on 257th. The project costs came out higher than what was anticipated and the City is working with PGE on funding that project even though we don't have the revenues at this point in the cash reserves to pay the full cost this year. PGE agreed to accept the final payment for the undergrounding project in spring 2007 after we receive the annual PGE privilege tax payment. Another is a loan from the Water Fund to the Utilities Underground Fund until we receive our privilege tax payments in April of 2006. We receive PGE franchise fees once a year in April for the previous calendar year. Also in the Underground Fund is a \$135,000 loan and we anticipate about \$5,000 in interest. On page 4 of the resolution the Capital Outlay was originally \$845,000 and I reclassified \$5,000 of that in materials and services because that would be an interest expense and it's not capitalized in a governmental fund. It's an accounting related issue, there is no change in the total appropriation of \$980,000 but we're asking that you consider making this change in your resolution, otherwise it will require a supplemental budget during the middle of the year. The final resolution categorizes and imposes ad valorem taxes for the City. The approved budget includes a levy of a permanent rate for the City of Troutdale for General Fund operations at \$3.7652 per \$1,000 of tax assessed value for the property owners. That would be a levy of the full permanent rate for Troutdale in fiscal year 2005-06 and it also includes a fixed dollar amount for the G.O. bonds outstanding of \$680,645. As you're aware the G.O. bond on the Sewer Treatment Plant is funded through three sources; the sewer rates, the sewer improvement fund system development charges, and a levy from taxes. In the past few years the money coming in for the sewer improvement fund has been significantly less than anticipated due to the downturn in the economy and we've utilized quite a bit of the cash reserves in that fund to pay debt service. So that balance is down fairly low and we've had to increase the levy request in this next year. We've also done a rate increase in the sewer fund. The levy increased to about \$.80 per \$1,000.

Councilor Daoust asked when we make a motion to adopt 7.3, do we need to highlight the change in the utilities undergrounding?

Marnie Allen, City Attorney, replied that would be my recommendation.

Councilor Ripma stated I heard the TSCC was going away.

Leader replied there was a threat of that. People questioned why Multnomah County needs TSCC when none of the other counties provide that service. There was some lobbying done by TSCC and some of the participating municipal governments in Multnomah County to look at why we need TSCC. There were some favorable outcomes from them and there was support by Multnomah County that they would continue to fund that.

Councilor Ripma asked is it burdensome for us?

Leader replied it does require some additional steps that other jurisdictions don't go through. Obviously we have filing deadlines so that they have an opportunity to review the different levels of the budget. They do provide some real genuine resources to the Cities in Multnomah County. They publish the annual report that's a very good document with a lot of summaries of the different tax and accounting issues in the different jurisdictions and I use a lot of that in my CAFR summaries for the financial statements. They are also a very good resource when you have questions regarding budget and law.

Councilor Thomas asked in regards to the Fairview increase, that's based on how much we bring in as far as what they do for building inspections, correct?

Leader replied yes. There was a change in their contract about a year ago. The contract was a two year contract where they pay 80% of their inspection fees and we do a cost allocation at year end and true up the actual cost to provide the service and any difference is either paid by Fairview or Troutdale. For fiscal year 2003-04 Troutdale is sending back about \$125,000 that was collected from Fairview for inspection services. Year to date for 2004-05 it's looking like it might be a break even year or Fairview may owe a small amount to Troutdale. We are in negotiations right now and we hope that as of July 1st we'll go back to a fixed rate that's applied to inspection revenues so there wouldn't be this truing up each year.

Mayor Thalhoffer closed the public hearing at 9:25pm.

MOTION: Councilor Daoust moved to adopt Resolution 7.1 certifying the City of Troutdale's eligibility to receive State Shared Revenues. Seconded by Councilor Canfield.

VOTE: Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Ripma – Yes; Councilor Thomas – Yes; Mayor Thalhoffer – Yes; and Councilor Canfield – Yes.

Motion passed 6-0.

MOTION: Councilor Daoust moved to adopt 7.2, a Resolution declaring the City of Troutdale's election to received the State Shared Revenues for FY 2005-06. Seconded by Councilor Thomas.

VOTE: Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Ripma – Yes; Councilor Thomas – Yes; Mayor Thalhoffer – Yes; and Councilor Canfield – Yes.

Motion passed 6-0.

MOTION: Councilor Daoust moved to adopt Resolution 7.3, a Resolution adopting the City of Troutdale's Fiscal Year 2005-06 annual budget and making appropriations with the change highlighted in the Utilities Undergrounding Fund, which moves \$5,000 from the Capital Outlay Appropriation category to

the Materials and Services Appropriation category. Seconded by Councilor Kyle.

VOTE: Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Ripma – Yes; Councilor Thomas – Yes; Mayor Thalhofer – Yes; and Councilor Canfield – Yes.

Motion passed 6-0.

MOTION: Councilor Daoust moved to adopt 7.4, a Resolution imposing and categorizing Ad Valorem Taxes for Fiscal Year 2005-06. Seconded by Councilor Canfield.

VOTE: Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Ripma – Yes; Councilor Thomas – Yes; Mayor Thalhofer – Yes; and Councilor Canfield – Yes.

Motion passed 6-0.

8. PUBLIC HEARING/ORDINANCE: An Ordinance amending Chapter 12.10 of the Troutdale Municipal Code by renumbering it and reassigning staff responsibility for solid waste.

Mayor Thalhofer opened the public hearing at 9:30pm and read the ordinance title.

Jim Galloway, Public Works Director, stated the proposed ordinance is basically a housekeeping measure. As you may recall during the budget committee proceedings and the budget that you've just adopted, there was a decision made to change the responsibility for the solid waste and recycling program from Public Works to Community Development. The current chapter of the Municipal Code that deals with solid waste and recycling is Chapter 12, the Chapter that deals with all Public Works matters. So the proposed ordinance would simply renumber that particular chapter to take it from Public Works and place it in a more appropriate chapter and also to change a couple of references from Public Works Director to Community Development Director.

Councilor Kyle asked was this necessary for budgetary reason?

Galloway replied that's the reason that it was done. Previously the portion of work I think was about 1/4 to 1/3 of a full time employee (FTE) being performed out of Public Works. We had other pressing issues that we'd like that person to work on and there was some staff available in Community Development. So it was done to even out the workload and also to assist the General Fund budget.

Councilor Thomas stated I don't exactly understand the reasoning why you felt it was necessary to move it out of Public Works.

Galloway replied I don't know if I can explain it better than I attempted to a moment ago. The Environmental Specialist that used to handle it in Public Works has taken on a couple of fairly significant responsibilities over the last year or so. One of those responsibilities is the federally

mandated sewage procurement program and the other is working towards the federal permit required for storm water. The General Fund was actually reimbursing Public Works for the time spent on that program. So there was actually a cost to the General Fund. To better utilize the Environmental Specialist's time on other matters in the Public Works arena and to avoid the transfer of \$25,000 to \$30,000 from the General Fund to Public Works to reimburse for that time, it was decided that the effort would be handled by someone in Community Development to avoid the transfer of the General Fund moneys.

Councilor Thomas asked does Community Development have people that can do that?

Rich Faith, Community Development Director, replied we agreed to accept the responsibility.

Mayor Thalhoffer closed the public hearing at 9:33pm.

Mayor Thalhoffer stated this is the first reading of this ordinance. The second public hearing will be on June 28th.

9. RESOLUTION: A Resolution establishing and revising specific fees and charges and rescinding Resolution No. 1705.

Kathy Leader, Finance Director, stated I wanted to go through this and bring your attention to the new fees being established as part of this resolution. On page 2 of the staff report under section 2.g. Public Safety there is a traffic surcharge. This is included in the budget that was just approved. It's a \$5 surcharge on traffic citations that will be assigned by the Municipal Court. It was established by the Police Department to help fund their equipment purchases. We anticipate that in the next fiscal year this will raise about \$10,000. On page 4 of the staff report under section 3.aa. there is an administrative adjustment fee. Since 1998 the Development Code has allowed for an administrative adjustment from certain standards in the code. It takes staff time to process these applications and we've established a fee to help cover some of the cost of the requests. It will be a \$50 fee when the adjustment is processed as part of another land use application. When an administrative adjustment is not part of another land use application the fee shall be \$125. There will be a \$50 fee for each additional administrative adjustment requested beyond the first. The final new fee would be on page 4 of the staff report under section 3.bb., Measure 37 application fee. When the Council adopted the ordinance related to Measure 37 application, it was established that a fee would be put in place. We've established that fee at \$2,300. Any of the other changes are adjustments to existing fees that were in place based on the cost for providing the service. Quite a few of these fees hadn't been updated since the late 1990's. I also wanted to bring your attention to a change that we're requesting be put in when you adopt the resolution. It came to our attention that we need to update some language in the fee schedule on Exhibit A, page 2. Under 2.b. Police Officer cost, there was some confusion. When parties rent the Sam Cox Building and alcohol is going to be served, we require that they pay for a police officer to observe the event at a minimum of 4 hours. The language stated that security services are required as a condition of the Community Building Park rental and this is confusing. We're asking that we change that to the Sam Cox Building rental. Along with that on Attachment F-2, the Sam Cox Rental Fees, under foot note 3, which talks about the requirement that they pay for the police officer. We failed to increase the rate amounts in line with the recommended change that we're making so it would be \$240

for the first 4 hours instead of \$215, with an additional \$60 fee for each additional hour thereafter instead of \$53.75.

Councilor Kyle stated for 3.aa., I'd like a sample Administrative Adjustment fee.

Rich Faith, Community Development Director, replied the concept of Administrative Adjustments was put into the Development Code when we adopted the Town Center Zoning and we have specific development standards that go with the development of the downtown. There was a recognition that one size does not fit all, we have standards but given the topography and the variation that we have in the downtown area the location of a building and some of the features that we call out may not fit. Rather than put them through a full blown variance process the idea was an administrative adjustment, which is an authority granted to me as the Community Development Director to actually evaluate the proposal to see if the standards can work in this particular instance or not. I can basically adjust that standard administratively thus the notion of the administrative adjustment.

Councilor Kyle asked do you currently have the power to make that adjustment?

Faith replied yes. Then that exact same concept was carried over when we adopted what we call a multi-family design standard. A few years ago we added those into our Development Code standards and a lot of that has to do with architectural features and elevations of the building. Once again, recognizing that given the specific characteristics of a piece of property, some of the elements may not be plausible or may need to be adjusted accordingly. In those instances we have the authority to grant administrative adjustments. The idea was to prevent someone from having to go through the whole variance process. There are criteria that have to be evaluated. It's not just an adjustment that's given, they have to submit an application, they have to address the criteria and then administratively that can be granted. There is staff time involved and there's a savings to them by going through this rather than a variance and the fee is less than that. It's to acknowledge that we do have to spend time looking at those things and making a judgment call as to whether or not it meets the criteria and should be approved or rejected.

Councilor Kyle asked so if it were rejected then would it go to a variance at the planning commission or not?

Faith replied they could appeal that.

Councilor Daoust stated if I'm renting a full day at the Sam Cox Building and I'm a resident with alcohol, the rent would be \$500 and \$300 for the annex? There's a foot note below that says if the Annex Building is reserved in conjunction with an event held at the Sam Cox Building a \$50 fee will be charged. Does that mean that I pay \$850?

Faith replied it would be \$550. In other words if you have an event in which you anticipate a need for the Annex because of the number of people or how you want to set up and you reserve that at the same time then you'd only be charged \$50. The two rooms can be and often are rented out to separate groups for separate events.

Councilor Daoust stated this table leads me to believe that I'd have to pay \$850. I don't have a recommendation as to how to clarify that but maybe in foot note number 2, stating the Annex Building is reserved in conjunction with an event held at the Sam Cox Building, a \$50 fee will be charged rather than \$300. Can we clarify the foot note on that?

Leader replied yes.

Councilor Thomas stated in section 2.e. Public Safety, to increase the various fines, there's a couple that look like they're being reduced. Where do you come up with those?

Leader replied these fees have not been adjusted at least since 1989. We submitted them to our Judge and had him look at them. He came back with these recommendations. Marnie, on the violations where there was a reduction in the fee, do you know if it was a consistency issue or if it was regulatory?

Marnie Allen, City Attorney, stated there was no discussion with me about it.

Mayor Thalhoffer stated I have a question in regards to parking oversized vehicles on residential streets. Is Troutdale Road considered a residential street?

Jim Galloway, Public Works Director, replied I believe that Multnomah County classifies Troutdale Road as a collector.

Mayor Thalhoffer asked so it's not a residential street?

Galloway replied correct.

Mayor Thalhoffer asked Sergeant Shrake, does the Police Department realize that Troutdale Road is a collector and not a residential street or would you think it was a residential street if you saw an oversized vehicle parked there?

Marc Shrake, Police Sergeant, replied we would consider it as a collector and not a residential street because of the speed limit and it is an arterial.

Mayor Thalhoffer asked do you consider a semi tractor to be an oversized vehicle?

Shrake replied correct.

Councilor Thomas asked what do you consider an oversized vehicle?

Faith replied it's defined in the nuisance code. I don't remember the exact terminology but it's over a certain length, height, and weight.

MOTION: Councilor Daoust moved to adopt the Resolution establishing and revising specific fees and charges and rescinding Resolution No. 1705 with the following changes: changing the wording on page 2, 2.b. Police Officer Cost, of the fees and charges schedule from Community Building Park rental

to Sam Cox Building rental; changing foot note 2 of attachment F-2 of the fees and charges schedule to clarify that a \$50 fee will be added to rent the Annex Building in conjunction with the Sam Cox Building rather than the full rental fee; and changing foot note 3 of attachment F-2 of the fees and charges schedule to reflect the correct charges for the police officer time. Seconded by Councilor Thomas.

Councilor Canfield stated I know that the Council disagrees with me but I object to 3.bb. Measure 37 application fee of \$2,300. I think it's unenforceable.

Mayor Thalhofer stated we discussed this not too long ago. The legislature is still looking over Measure 37 and when they finish, I think it would be wise for us to revisit Measure 37 with any legislative changes made to it.

VOTE: Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Ripma – Yes; Councilor Thomas – Yes; Mayor Thalhofer – Yes; and Councilor Canfield – No.

Motion passed 5-1.

10. RESOLUTION: A Resolution authorizing a payment plan for property owners affected by the 257th undergrounding project.

Jim Galloway, Public Works Director, stated we currently have an ongoing undergrounding project on 257th Avenue from Stark Street north to Cherry Park Road. As the main utility lines on 257th are underground, those properties that receive a service line directly off that main line also have to underground between the main line and their home. I think there are 5 properties that fall into that category and under our Municipal Code the work done within the private property is the responsibility of the property owner. In an effort to try to make things as accommodating as possible, we began seeking bids to have that work done so we could offer the property owners an option of doing it through the City's contractor and their price or if they think they can get a better price, they have the opportunity to do that. The prices that we obtained to do the undergrounding work totaled \$2,425 for a particular parcel. That's considerably higher than costs that we've gotten in the past for work on private property and therefore was higher than the rough estimate that we had provided when this process got underway. Also because of the difficulty we had trying to determine whether or not we could scrape together the funding to make this happen, we didn't give property owners as much notice as we typically would on a project like this. We had a higher cost than usual and a later notice of what that cost would be. At least one property owner has come in and asked for the City's contractor to do the work but said it's going to be tough for them to come up with that much money so quickly and asked if we could offer some type of a payment plan. We have a second property owner that is contemplating this but hasn't given us an actual answer yet. In an effort to try to respond to that particular request we put together a proposed payment plan with a \$500 down payment by July 1st and equal payments of \$180 per month for the next 11 months so that the amount would be paid off in the next fiscal year. That represents a 5.67% rate of interest on the unpaid balance which we think is a reasonable rate to offer. We have not offered a payment plan for previous undergrounding projects but we thought given the higher cost involved to the

property owners and the somewhat later notice, this might be something that you would want to consider.

Councilor Kyle asked do these property owners have apartments or are they houses? If everybody pays an undergrounding fee in their utility, I'm wondering why there were these 5 exceptions.

Galloway replied I believe each of those is a single family home but there's no apartment complexes. It's just these 5 because they're the only ones that receive their service directly off that main line. Most of the properties receive their service off of a feeder line that goes off one of the side streets. It's only those who actually have a wire from their house that ties into the line on 257th.

Councilor Daoust asked the contractors that are out there now are going to do this work?

Galloway replied that is correct, 3 of the 5 property owners have said that they'll get their own contractor and think that they can do it cheaper than our contractors can. One property owner has said that they want our contractor but we need some help meeting this payment. The fifth property owner has not given us an answer yet. Basically there was a change in ownership of that property part way through this process and the earlier property owner we had been communicating with did not pass on to the gaining property owner what was occurring. So we had to start the education process with that most recent property owner. We've giving them a little bit more time to answer the question of how do you want to deal with this.

Councilor Daoust asked the City's not going to be the bank if they decide to hire their own contractor?

Galloway replied no. We're talking about 2 properties at most that would be involved in the payment plan.

Councilor Ripma asked is there any risk to the City? The work is presumed to be done before we get all the money.

Galloway replied that is correct, the work would be done. We would be making the initial outlay. I think there is the risk that of course someone might not make their payments. The agreement that we would propose to the property owners, if they select this payment plan, would say if they fail to make the payments that we'd put a lien on the property. I think eventually we would recoup the monies but as you know sometimes putting a lien on a property doesn't return the monies to us immediately.

Councilor Ripma asked we have not done this before?

Galloway replied that is correct.

Councilor Canfield asked can you tell us how much notice that they did get?

Galloway replied as far as the actual amount of money that they had to pay, I believe the letter went out on May 11th. As far as notice that something was going to occur, the first letter went out in September 2004 and the second letter in December 2004. We didn't have the prices nailed down and then secondly we didn't know if we were going to go ahead with the project until we could work out some financing arrangements with PGE until early May.

Councilor Daoust asked what about the thought that this would set a precedent for street trees? The City would take up the financing of sidewalks having to be replaced. Is this in a close enough category?

Galloway replied my initial reaction to that is certainly someone could make that claim or allegation that you did it in this case and you should do it for me. I would think one of the differences would be if there's a sidewalk problem caused by a tree. That doesn't happen in a month or so from when they are sent the notice and when they have to do something. That's an issue that takes place over years. I would probably not be quite as sympathetic in that case because they've had a lot more than a few weeks notice that they're going to have to do something about the sidewalk.

Councilor Daoust asked so the difference here is the short time frame in which they knew things had to happen?

Galloway replied yes. The higher than expected cost and the relatively short period of time to respond would be the reasons why I think this is a little different than our past situations.

MOTION: Councilor Thomas moved to adopt the Resolution authorizing a payment plan for property owners affected by the 257th undergrounding project. Seconded by Councilor Ripma.

Councilor Thomas stated I think this is an excellent opportunity to provide good customer service in that we knew about the project for a long time but the actual time frame for the process was very short. I think it's a great idea that Mr. Galloway has come forth with an option for property owners that will benefit them in handling the utility fees and not giving them such a burden.

VOTE: Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Ripma – Yes; Councilor Thomas – Yes; Mayor Thalhofer – Yes; and Councilor Canfield – Yes.

Motion passed 6-0.

12. STAFF COMMUNICATIONS

John Anderson, City Administrator, stated I just want to remind you that on June 21, 2005 the Troutdale Business Summit is being held at the City Conference Building at 7:00pm.

13. COUNCIL CONCERNS AND INITIATIVES:

Councilor Kyle stated SummerFest is a month away and if anybody is interested in volunteering, please call the Chamber office. There is still time to make nominations for Troutdale Citizen of the Year and Troutdale Youth of the Year.

Councilor Daoust stated Troutdale was represented in the Grand Floral Parade, by me. I march in the One More Time Around Again Marching Band, the largest adult band in the United States. There are quite a few Troutdale residents in this band.

Councilor Thomas stated I want to pass on my compliments to the contractors working on the 257th undergrounding project. Also, we apparently need to do some adjustments to the Municipal Code to authorize the payment of a stipend to the Mayor and it should probably be discussed at the regular meeting on June 28th.

The Council gave staff direction to prepare an Ordinance amending the Code to provide for the Mayor's stipend that was approved in the FY 2005-06 Budget.

Mayor Thalhoffer stated the JPACT Representative from Fairview will no longer be able to serve. I'm asking for the Council's support and recommendation that I be assigned as the new Three City Representative to the committee. The reason I'm bringing it up now is because we have a Four Cities meeting on Thursday in Fairview at 6:00pm and at that time I would make a recommendation to the Four Cities and then the City of Gresham, actually makes the decision.

Motion: Councilor Daoust moved to recommend that Mayor Thalhoffer fill the primary position on JPACT. Seconded by Councilor Thomas.

VOTE: Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Ripma – Yes; Councilor Thomas – Yes; Mayor Thalhoffer – Yes; and Councilor Canfield – Yes.

Motion passed 6-0.

Mayor Thalhoffer stated a Legislative Alert has been issued by the League of Oregon Cities with urgent advocacy needed on the Measure 37 Bill. Also, at your place there should be a recommendation from the Three City Fire Service Committee to the City of Gresham. Ultimately this will come to the Three City Councils for approval. Then we have a letter written by Rich Faith to Mr. Doug Butler at the County outlining the Council's position on the sale of the Edgefield property. Then there is a letter that I wrote by request from Darlene Hooley to the Base Realignment and Closure Commission recommending they not transfer the 142nd Fighter Wing to New Orleans and Atlantic City. Also there is a request from some other Cities to protest the acquisition of PGE by the City of Portland.

Mayor Thalhoffer asked would you like to take a position on this? I don't see anything wrong with public ownership of a utility but certainly not by just one City.

Councilor Kyle replied I have a personal stand on this. I probably don't know enough about it as I should to make an intelligent decision.

Mayor Thalhoffer replied you raise a good point, not many of us do know enough about it.

Councilor Daoust stated without discussing it, I don't know what we should say.

The Council decided that the topic would best be discussed at the next Work Session on July 12th.

Mayor Thalhoffer asked can we get information from the League of Oregon Cities for this discussion?

John Anderson, City Administrator, replied I think that's a reasonable request and I think we have a good opportunity to get it.

Councilor Ripma stated I'm not really in favor of having a short work session where we take a position on this. I think this is a complicated issue and needs to be looked at in more detail.

Mayor Thalhoffer replied we don't have to take a position on this. The City of Tigard asked us to take a position along with them.

14. ADJOURNMENT:

**MOTION: Councilor Ripma moved to adjourn. Seconded by Councilor Canfield.
Motion passed unanimously.**

Meeting adjourned at 10:34pm.

Paul Thalhoffer, Mayor

Approved October 25, 2005

ATTEST:

Sarah Skroch, Office Support Specialist